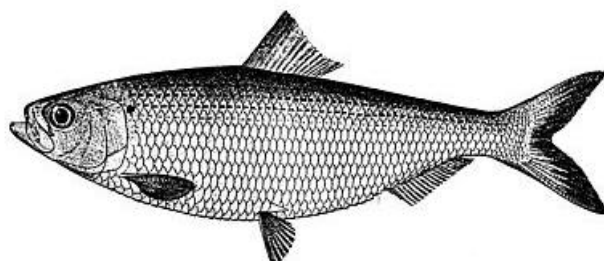


National Marine Fisheries Service

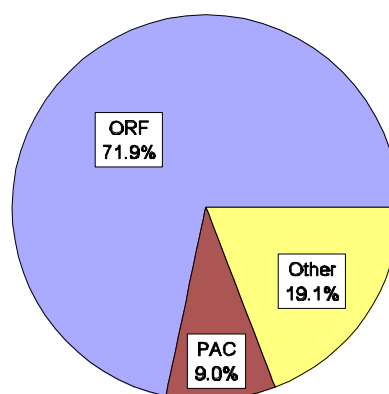
Total Request: \$584,713,000
 ORF: \$420,432,000
 PAC: \$52,567,000
 Other: \$111,714,000



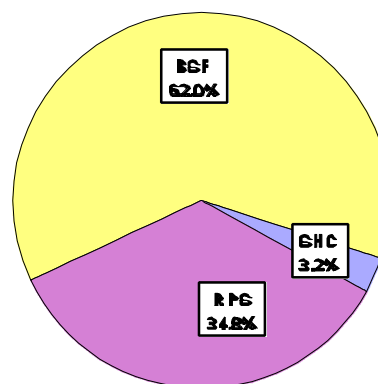
Blueback Herring

The National Marine Fisheries Service (NMFS) is responsible for the management, conservation, and protection of living marine resources within the United States Exclusive Economic Zone. The Agency also plays a support and advisory role in the management of living marine resources in coastal areas under state jurisdiction, provides scientific and policy leadership in the international arena and implements internationally agreed-upon conservation and management measures. Through science-based conservation and management and promotion of the health of coastal and marine ecosystems, benefits to the Nation from the sustainable use of living marine resources are maximized. Authorities are derived primarily from the Magnuson-Stevens Fishery Conservation and Management Act (MSFCMA), the Sustainable Fisheries Act (SFA) amendments to the MSFCMA, the Marine Mammal Protection Act (MMPA), the Endangered Species Act (ESA), and various other statutes that confer a mandate to reduce and mitigate degradation and loss of living marine resources habitat. Other legislative acts

Activity Based (Appropriations Structure)



Goal Based (Strategic Plan Structure)



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provide authorities for enforcement, seafood safety, habitat restoration and cooperative efforts with states, interstate commissions, and other countries.

The FY 2000 Budget Request includes increases required to achieve NOAA's strategic plan goals to Build Sustainable Fisheries, Recover Protected Species, and Sustain Healthy Coasts. Consistent with the 1996 SFA amendments to the MSFCMA, NOAA will focus on managing and rebuilding our Nation's fishery resources by improving stock assessment and prediction, reducing bycatch, conserving essential fisheries habitat, and reducing fishing pressure and overcapitalization. Improved and expanded economic data collection is needed to support fisheries management decisions and the new SFA national standards. In total, fully implementing the SFA's mandates will entail significant costs for new management programs and additional data and analyses.

NOAA will work under the ESA and MMPA to prevent the extinction of endangered and threatened marine species. The workload associated with the management of West Coast salmon to meet the objectives of the ESA continues to escalate. NOAA will continue using the flexibility provided by the ESA to further develop innovative partnerships with the states of Washington, Oregon, California, and Maine to promote the recovery of listed and at-risk salmon and steelhead species.

For FY 2000, the National Marine Fisheries Service requests a total of \$584.7 million, \$420.4 in the ORF account, \$52.6 million in the PAC account, and \$111.7 million in other fisheries related accounts. The ORF total reflects a net increase of 179 FTE and \$33.6 million from the FY 2000 base and consists of \$71.0 million in program increases and \$37.4 million in program decreases. Within the requested funding, NOAA will work to eliminate and prevent overfishing and overcapitalization; attain economic sustainability in fishing communities; and develop environmentally and economically sound marine aquaculture. The FY 2000 request will also support initiatives to apply ecosystem approaches to species conservation and reduce the need to list species as threatened or endangered; implement marine mammal take reduction plans; and respond to the extinction crisis faced by several highly endangered marine species.



Chinook Salmon

A new account, the Pacific Coastal Salmon Recovery Account, is proposed for FY 2000 (\$100 million), to help share the costs of state, tribal, and local conservation initiatives. This fund is NOAA's contribution to a broad, interdepartmental initiative to assist in the conservation of at-risk Pacific Salmon runs.

The FY 2000 proposed appropriation provides the authority to offset costs associated with providing fisheries management and enforcement services through the collection of currently authorized fees and potential new fees. The \$20.0 million in estimated fees, if

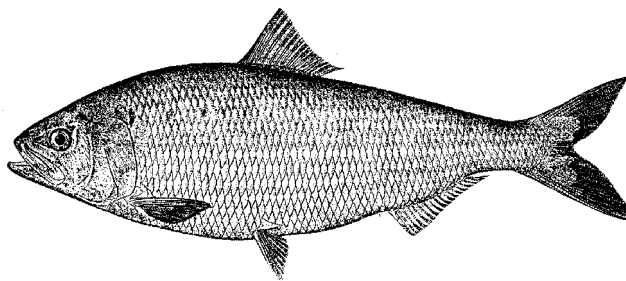
authorized, will be used to offset the overall NOAA budget authority and appropriation in FY 2000. NOAA will work closely with all fishing interests in the development of these new fees.

The Conservation and Management Operations FY 2000 base reflects the transfer from the Facilities activity of \$2.0 million for the payment of lease costs for the joint federal and state James J. Howard Laboratory at Sandy Hook in Highlands, New Jersey; and \$4.5 million for the Columbia River hatcheries.

Detailed Program Increases

Fleet Replacement [funded in PAC] - This activity provides funding for the construction of the first of four new Fisheries Research Vessels (FRVs). These new acoustically quiet FRVs are essential for conducting the stock assessment surveys necessary to monitor species' abundance, recruitment, age composition, and responses to ecological changes and fisheries pressure to build sustainable fisheries. The collection of fisheries and marine mammal information at-sea is essential to the mission and to the development of sensible regulation governing commercial and recreational fishing activities.

In FY 2000, NOAA requests \$51.6 million to conduct a source selection leading to an award of a contract initiating construction of the first of the four new FRVs. The construction of these new vessels will provide essential support to the Build Sustainable Fisheries goals by providing state-of-the-art platforms for the conduct of stock assessment surveys



Gizzard Shad

including acoustic surveys, operationalize other advanced and emerging technologies, and replace the existing aging fisheries fleet. The acquisition team will also clarify regionally specific design requirements for the second FRV, and complete a requirements package for the third and fourth FRVs.

Construction [funded in PAC] - Included in the Construction activity of the PAC account is a request for \$1.0 million to continue the current scoping work for the eventual formal design and construction of a new state-of-the-art NMFS research facility near Juneau, Alaska. The FY 2000 request includes funding of \$15.0 million in FY 2001 and \$20.0 million in FY 2002 to design and construct this facility for a total project cost of \$50.0 million.

Information Collection and Analysis - The goal of this budget subactivity is to provide accurate and timely analyses on the biological, ecological, economic, and social aspects of

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the Nation's use of its living marine resources in support of Administration strategic planning goals to Build Sustainable Fisheries, Recover Protected Species, and Sustain Healthy Coasts. Also included are activities to determine the impacts of the incidental taking of marine mammals and endangered species; to develop forecast models for marine resource populations, ecosystems, and fishery systems; to improve the quality and timeliness of information on living marine resources, their habitats and their use; and to provide \$1.9 million for information and services critical to the Administration's South Florida Ecosystem Restoration Initiative. In FY 2000, NMFS requests a net decrease of \$21.7 million for this subactivity which consists of \$3.6 million increases and \$25.3 million of program decreases for items not requested in FY 1999.

NOAA requests an enhancement for Resource Information of \$2.6 million, of which 8 FTE and \$1.0 million will be used to promote environmentally sound marine aquaculture by developing and implementing efficient regulatory and permit procedures including siting in the Exclusive Economic Zone and to support technical studies to refine and develop sustainable aquaculture. The remaining 2 FTE and \$1.6 million increase is for fisheries oceanography. Fisheries oceanography will improve stock predictions by identifying and assessing critical environmental processes controlling long-term trends in the Nation's fishery production, developing an observational program of sufficient scope to anticipate impending regime shifts, and developing coupled bio-physical models to predict the effects of regime shifts on fisheries.

NOAA requests a net decrease of \$4.8 million for the Fishery Industry Information line item. Included in the Fishery Industry Information request is an increase of 2 FTE and \$1.0 million for the collection of fisheries statistics and performance of economic analyses required by the new National Standard 8 of the SFA. This mandates that conservation and management measures consider the economic impacts on fishing communities. The increase will initiate a comprehensive plan in all NMFS regions for fisheries data collection on the socioeconomic characteristics of commercial and recreational fishermen, economic values within fisheries, and vessel data within fisheries, all of which will improve the analytical capability to predict and monitor the economic and social consequences of management decisions.

Conservation and Management Operations - This budget subactivity provides for the development and implementation of Fishery Management Plans (FMPs) under the MSFCMA and SFA, and for the management of protected species under the ESA and MMPA. It also provides for the enforcement of laws and regulations under these and other statutes as well as for the protection of habitats. Funding for the eight Regional Fishery Management Councils is included in this subactivity, as is funding for Mitchell Act hatcheries along the Columbia River in the Pacific Northwest. A net increase of 191 FTE and \$61.6 million is requested for the subactivity Conservation and Management Operations; this consists of \$67.4 million of program increases, offset by \$5.8 million of program decreases.



NOAA Ship JOHN N. COBB

NOAA requests a net increase of \$27.7 million for the Fisheries Management Programs line item. An increase of 21 FTE and \$2.6 million is requested to implement the MSFCMA provisions for the following: improving the use of fisheries statistics and economic data, meeting the requirements of the SFA, and implementing essential fish habitat amendments to the Fishery Management Plans. Improving and expanding the use of fisheries statistics and economic data is necessary to understand the impacts of regulations on fishing communities; predict the responses of commercial fisheries to a range of policy instruments; understand market relationships in order to track the impacts of management actions on producers, wholesalers, and consumers; understand and eliminate distortions in markets; and model and evaluate economic impact effects. Funding for the essential fish habitat provisions of the MSFCMA will enable NOAA to work with other federal agencies, the states, and private industry to develop agreements and processes to safeguard essential fish habitat, to reduce adverse impacts to essential fish habitat from fishing gear, and to enhance habitat for increased fish abundance. An increase of \$0.3 million is requested for Regional Councils to address increased workload of implementing the Magnuson-Stevens provisions.

NOAA requests an increase of \$0.3 million for the operation of the Santa Cruz facility, and \$1.5 million for the lease costs and operation of the Kodiak facility. NMFS expects to occupy Santa Cruz in FY 2000. Funds for Santa Cruz will be used for operation costs including a sea water system. Funds for Kodiak will be used for lease costs and operations that will enable the research lab to continue and expand shellfish and start a new groundfish research program.

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An increase of \$22.7 million for Fishery Habitat Restoration, as part of the Lands Legacy Initiative, will enable NOAA to dramatically increase the geographic scope and the rate at which restoration efforts are undertaken on both regional and community levels in partnership with public and private interests. These funds will allow NOAA to address the full range of habitats vital to NOAA's trust resources including wetlands, salt marshes, seagrass beds, mangroves, anadromous fish spawning areas, and coral reefs.

NOAA requests an increase of \$5.2 million to help rebuild overfished and overcapitalized Northeast fisheries including groundfish and scallops. The additional funding will be used to implement rebuilding plans developed for such fisheries as required by the MSFCMA and carry out programs to address the social and economic effects of these plans on fishing communities including the administration of vessel buy back programs.

NOAA requests a net increase of 141 FTE and \$31.1 million for Protected Species Management. This includes increases for recovery of protected and endangered species and biodiversity research.

Included in the requested \$31.6 million net increase is 9 FTE and \$2.6 million in the Protected Species base line item to characterize and map biodiversity and protected species habitat in order to identify areas for conservation. This program will also identify and map threats to species and biodiversity habitats, increase conservation efforts for ESA listing candidates and at-risk species, and provide matching challenge grants to local entities for conservation and restoration of biodiversity sites.

Under Endangered Species Act Recovery Planning, NOAA requests an increase of \$29.7 million including 8 FTE and \$5.1 million to stem the decline of highly endangered species including, leatherback and loggerhead turtles, Pacific and Atlantic right whales, and Hawaiian monk seals. Activities include: eliminating incidental take in commercial fisheries and collisions with ships; protection and restoration of critical habitat; and conducting necessary research and monitoring to determine species status and trends, habitat requirements, and influences of disease and debris on survival. This also includes an increase of 124 FTE and \$24.6 million is requested for salmon recovery to provide support for core science and management competency and scientific research through expert consultations and advice by NOAA to other federal entities, state agencies, private landowners and resource users so that their actions promote the recovery of salmonids. Activities include: meeting the increasing demands for consultations and habitat conservation plans as a result of increased listings; engaging states, Tribes, and private entities to carry out conservation planning; effectively implementing the 1999 Biological Opinion for the Columbia River system; and preparing recovery plans for up to 25 Evolutionary Significant Units (ESUs) in a timely manner.

A net increase of \$1.6 million is requested for the Observers and Training programs which includes an increase of \$2.0 million to enhance observer coverage for vessels working in overfished fisheries on the West Coast, including groundfish.

An increase of 16 FTE and \$1.7 million for the Habitat Conservation line item to provide programmatic support for restoring fish habitat and other NOAA trust resources injured by human activities under the Damage Assessment and Restoration Program and the Community-based Restoration Program, advancing the science and technology of restoration and transferring restoration technology development to the public and private sectors.

NOAA requests an increase of 13 FTE and \$1.0 million for Enforcement and Surveillance activities. This increase will support investigations targeting egregious or blatant offenders and enforcement efforts in support of salmon and loggerhead turtle recovery.

State and Industry Assistance Programs - This budget subactivity provides for product quality and safety research, grants to states under the Anadromous and Interjurisdictional Fisheries Acts, and funding for the three Interstate Fisheries Commissions and the Atlantic Coastal Fisheries Act. NMFS requests a net decrease of \$6.2 million for this subactivity. New budget authority of 24 FTE and \$1.7 million is requested in the Fisheries Finance, Program account to cover Federal Ship Financing Fund administrative expenses.

Acquisition of Data - This subactivity provides vessel support to conduct sustained fisheries and marine mammal scientific and survey operations in various marine environments. NOAA is requesting continued support for this subactivity at the FY 1999 base level of \$25.5 million.

Fisheries Finance Program Account - Total Request: \$10,258,000

Under the authority of the Merchant Marine Act of 1936 and the provisions of the Federal Credit Reform Act of 1990, the Federal Ship Financing Fund became a liquidating account for loan guarantees made prior to FY 1992. Loan guarantees made on or after October 1, 1991, were made under the Fishing Vessel Obligation Guarantee (FVOG) appropriation. The re-authorization of the Magnuson-Stevens Fishery Conservation and Management Act in September 1996 changed the program to direct loans, versus loan guarantees and thus is now titled the Fisheries Finance Program (vice Fishing Vessel Obligations Guarantees). The loans awarded under the base Fisheries Finance Program can be used to provide long-term fisheries loans for vessels and shoreside facilities (including aquaculture facilities) and for industry-funded capacity reduction programs.

The FY 2000 President's Budget requests a net decrease of \$18.1 million for the Fisheries Finance Program account. Included in this amount is a \$1.7 million increase to cover the administrative expenses of the Federal Ship Financing Fund. The amount also includes an

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increase of \$8.0 million to reduce harvesting capacity in the Northeast scallop fishery. This increase along with private sector financing will be used to buy out vessels and permits in this overcapitlized fishery. Also included is an increase of \$0.3 million to provide a 1 percent subsidy rate for industry funded capacity reduction loans.

Promote and Develop Fishery Products & Research Pertaining to American Fisheries (P&D) - Total Request: \$1,500,000

The American Fisheries Promotion Act (AFPA) of 1980 authorized a grants program for fisheries research and development projects and a National Fisheries Research and Development Program to be carried out with Saltonstall-Kennedy (S-K) funds. S-K funds are derived from duties on imported fisheries products. An amount equal to 30 percent of these duties is being transferred to the Department of Commerce from the Department of Agriculture. The FY 2000 Budget estimates this transfer at \$66.4 million. Of this \$66.4 million, \$1.5 million will be used for the S-K grants program to develop a healthy fishery based industry (including costs of program administration). The remainder of the transfer (\$64.9 million) will be used to offset the Operations, Research, and Facilities (ORF) account. The duties transferred to this account are calculated on a calendar year basis and, if necessary, will be revised after the submission of the President's request.

Pacific Coastal Salmon Recovery Account - Total Request: \$100,000,000



Coho Salmon

This account was established to support a new Pacific Coastal Salmon Recovery Account for the purpose of helping share the costs of state, tribal and local conservation initiatives. This fund is NOAA's contribution to a broad interdepartmental initiative bolstering and deploying existing and new Federal capabilities to assist in the conservation of at-risk Pacific salmon runs in the western states of California, Oregon, Washington, and Alaska. The fund would be capitalized with \$100 million of Federal dollars in FY 2000. These Federal dollars would be matched dollar for dollar with non-Federal contributions. The Fund would be established under existing authorities by the Secretary of Commerce and made available through agreements with the Governors of each of the four states for distribution to assist state, tribal and local conservation efforts. The Secretary will establish terms and conditions for the effective use of the funds and specific reporting requirements appropriate for ensuring full accountability of the available funds to meet the purpose of the Fund.

Fishing Vessel and Gear Damage Compensation Fund - Total Request: \$0

This program was authorized by the Fisherman's Protective Act of 1967, as amended by P.L. 95-376, Section 10 (f) (1), of September 18, 1978, and P.L. 96-561 of 1980. This Fund provides compensation to fishing vessel owners who sustain losses or damage to

their gear or vessels attributed to other fishing vessels. The Fund is supported by a surcharge imposed upon foreign fishing permit fees and is operated through the appropriation of existing balances from previous year surcharges and interest earned. No appropriation is requested for this fund.

Fishermen's Contingency Fund (FCF) - Total Request: \$953,000

Title IV of the Outer Continental Shelf Lands Act Amendments of September 18, 1978, (P.L. 95-372, Section 402) as amended, established the Fisherman's Contingency Fund. This Fund provides compensation to domestic fishermen for the damage or loss of fishing gear, and resulting economic loss due to obstructions related to oil and gas exploration, development, or production in areas of the Outer Continental Shelf.

The Fund is supported by assessments on holders of leases, explorations, permits, easements, and rights of way in areas of the Outer Continental Shelf. For FY 2000, an appropriation of \$0.95 million is requested for claims and administrative expenses. This amount is equal to the FY 1999 appropriation.

Foreign Fishing Observer Fund (FFOF) - Total Request: \$189,000

The Foreign Fishing Observer Fund provides observer coverage of foreign fishing activities within the 200-mile Exclusive Economic Zone (EEZ). The Fund is supported by fees charged to foreign fishermen for the cost of placing an observer aboard their vessel while operating within the EEZ. Beginning in FY 1985, foreign fishermen were also permitted to contract directly with NMFS approved observer contractors to obtain observers (the Supplemental Observer Program). The FY 2000 budget requests \$0.19 million, equal to the FY 1999 level. Appropriated funds plus direct contracting under the Supplemental Observer Program will provide 100 percent observer coverage.

Adjustments-to-base, program reductions and terminations are shown in Section 4: Supplementary Information.

NATIONAL MARINE FISHERIES SERVICE
(\$ IN THOUSANDS)

GOAL BASED - All Accounts	FY 1999 ENACTED		FY 2000 BASE		FY 2000 PRES. REQUEST		INC/DEC (REQUEST - BASE)	
	FTE	AMT.	FTE	AMT.	FTE	AMT.	FTE	AMT.
Build Sustainable Fisheries	2,083	337,763	2,083	334,424	2,124	362,433	41	28,009
Recover Protected Species	530	74,073	530	74,921	676	203,606	146	128,685
Sustain Healthy Coasts	170	20,104	170	20,364	186	18,674	16	(1,690)
TOTAL NMFS	2,783	431,940	2,783	429,709	2,986	584,713	203	155,004